Beverage Container Stewardship Program Regulation

Annual Report by the Director

1998 - 1999 Reporting Period

Synopsis

On **December 15, 1997**, Cabinet approved the Beverage Container Stewardship Program Regulation to replace the existing Litter Act. The regulation encompasses **all containers of ready-to-drink beverages**, except for milk, milk substitutes, infant formula and meal replacements. An exemption, until October 1, 1999, was granted to polycoated and flexible pouch containers to allow industry to develop a viable recycling solution.

Over 1.3 billion containers are covered under BC's deposit-refund system.

The historical make-up of beverage containers is presented below:

Existing under Deposit	1.126 Billion	69.7%
New Addition to Deposits	234.3 Million	14.5%
Exemptions until October 1, 1999	84 Million	5.2%
Exempted Milk and Substitutes	170 Million	10.5%
Total Containers	**1.614 Billion**	**100%**

Performance

Three stewardship agencies were established by the beverage industry to meet their responsibilities under the regulation. These are:

Encorp Pacific (Canada)	**Non-alcoholic beverages**
Liquor Distribution Branch (LDB)	**Wine containers, spirit containers, non-refillable beer, cider and cooler containers, except those produced by Molson and Labatt.**
Brewers Distributor Ltd. (BDL)	**Domestic beer in refillable glass and aluminum cans**

The importance of the regulation and the critical period for the performance of the stewardship programs for 1998 is from October - December for the new containers which entered the deposit-refund system and for April - December for containers previously subject to deposit under the Litter Act.

The following data have been submitted by the industry stewards:

Steward	Reporting Period	Recovery Rate
Encorp Pacific (Canada)[1] *(independent review)*	April 1, 1998 to December 31, 1998	76.47%
Liquor Distribution Branch *(independent audit)*	October 1, 1998 to March 31, 1999	75.08%
Brewers Distributor Ltd.[2] *(not audited)*	April 1, 1998 to January 31, 1999	91.16%

Notes:

1. Encorp Pacific (Canada) provided independently reviewed statements of the recovery rate and deposits charged and refunds paid for the period April 1, 1998, to December, 31, 1998.
2. BDL did not provide an independently audited statement of the recovery rate for containers under its plan .

Funding

Funding for the return program is generated through unredeemed deposits, revenue from sales of recyclable materials and brand-owner service fees.

The beverage industry has achieved a provincewide recovery rate of over 84%.

Steward	Reporting Period	Deposits Charged	Deposits Refunded
Encorp Pacific (Canada)[1] *(independent review)*	April 1, 1998 to December 31, 1998	$ 35,004,723	$ 27,677,135
Liquor Distribution Branch *(independent audit)*	October 1, 1998 to March 31, 1999	$ 5,043,784	$ 3,714,234
Brewers Distributor Ltd.[2] *(not audited)*	April 1, 1998 to January 31, 1999	$ 47,086,436	$ 42,923,882

Notes:

1. Encorp Pacific (Canada) provided independently reviewed statements of the recovery rate and deposits charged and refunds paid for the period April 1, 1998, to December, 31, 1998.
2. BDL did not provide independently audited financial statements of deposits charged and refunds paid.

New Developments

Encorp Pacific (Canada)
Encorp continues to expand its depot network for the return of non-alcoholic beverage containers and presently contracts a total of over 160 depots. Encorp has initiated negotiations with the ministry and the Union of B.C. Municipalities on a protocol to govern the process of obtaining Deputy Minister approval on a two staged process of de-regulation of retail returns from 24 to 6 containers per person per day, and ultimately, totally optional retail take-back of refundable containers. The protocol

will be finalized following pilot retail de-regulation projects in selected communities across the province.

Liquor Distribution Branch
The LDB, responsible for wine, spirits, non-refillable beer, cider and cooler containers provides for retail returns at all 221 LDB outlets and 143 rural agency stores province-wide, as well as unlimited returns at 45 depots which are serviced by Wastech under contract to the LDB.

Brewers Distributor Ltd.
The BDL container management system for domestic beer containers provides for retail returns at all LDB retail outlets and cold beer and wine stores, as well as unlimited returns at 21 depots.

The Beverage Container Management Board
The term of the advisory board appointed by the Minister ended on December 31, 1998. A reconstituted, self-funded board was assembled comprising ten members, one member each nominated by Encorp Pacific (Canada), Brewers Distributor Ltd., the Liquor Distribution Branch, the BC Bottle Depot Association, local government, labour, retail grocers, the Recycling Council of BC, an environmental, non-government organization and the Ministry of Environment, Lands and Parks. The Board is chaired by Pat Wallace from Kamloops, the local government representative.

Polycoated Containers and Flexible Stand-up Plastic Drink Pouches
Drink boxes, gable-tops and plastic pouches became subject to deposit-refund requirements on October 1, 1999.

On October 1, 1999, polycoated drink boxes and paper based gable-top containers were included in the deposit-refund system.

Recyclability of Containers

The following summarizes end recycling markets for containers collected in BC:

Encorp Pacific (Canada)

Material Type	Recycling Contractor/Processor	Products
Aluminum	Alcan Aluminum	New aluminum cans
Plastic	Merlin Plastics	PET plastic: resin to secondary markets HDPE plastic: new non-food containers PVC plastic: piping
Bag-in-Box	All processors and Merlin Plastics	Cardboard: Recycled paper products Foil bladder: Wood substitute products
Glass	International Paper Industries Ltd.	Fibreglass, glass manufacturing, other glass products
Bi-Metal & Steel	All processors	Metal products
Gable-top	Asian paper recovery processors (interim processor)	Recycled paper products
Aseptic drink box	Fort James Corporation (interim processor)	Roofing materials

Liquor Distribution Branch

Material Type	Recycling Contractor/Processor	Products

Aluminum	ALCOA Aluminum	New aluminum cans
PET Plastic	Merlin Plastics	PET plastic: resin for use in new containers and other plastic products
Bag-in-Box[1]	Crown Packaging and other paper recyclers	Cardboard: Cardboard/boxboard Plastic Foil Bladder: Landfill
Glass[2]	Various glass processors	Fibreglass, glass manufacturing, aggregate road base, decorative blocks, blasting abrasive, landscape material, drainage tile

Brewers Distributor Ltd.

Material Type	Recycling Contractor/Processor	Products
Glass	Refilled by brand-owners	Refilled on average of 15 times per container; report not submitted on end-of-life glass
Aluminum	ALCOA Recycling Inc.	New aluminum cans

Notes:

1. In accordance with the stewardship plan approval conditions, partially recyclable containers are required to be at least 95% recyclable by March 31, 2003, or be phased out.
2. A very small amount of ceramic containers (less than 0.1%) are included in the glass category. This small quantity does not affect the recycling value of the glass stream, for other than new glass manufacturing.

Additional Consumer Information

B.C. Recycling Hotline	**(604) 732-9253** (Greater Vancouver) **1-800-667-4321** **Internet:** http://www.rcbc.bc.ca/
Encorp Pacific (Canada)	**(604) 473-2400** (Greater Vancouver) **1-800-330-9767** (Rest of BC) **Internet:** http://www.encorpinc.com/
Liquor Distribution Branch	**(604) 252-3029**
Brewers Distributor Ltd.	**(604) 664-2300**
Ministry of Environment, Lands and Parks internet website	http://wlapwww.gov.bc.ca/epd/epdpa/ips/regs/bcspreg.html

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